NEWSLETTER

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Unemployment Rate

Seasonally Adjusted
November 1991*

ARIZONA	–	5.4%
Maricopa Co.	–	4.5
Pima Co.	–	3.9
United States	–	6.2

Consumer Price Index

U.S. – November 1991
Base = 1982-84

Wage Earner/Clerical Worker	–	132.8
% Chg. Year Ago	–	5.5
All Urban	–	134.6
% Chg. Year Ago	–	5.7

Phoenix – 4th Qtr 1991
Base = 1982-84

All Urban	–	138.4
% Chg. Year Ago	–	2.3

Tucson CPI No Longer Available (see May 1991 *Arizona LMI Newsletter*

* Preliminary

Employment Slide

Arizona Thrift Failures Caused Dramatic Drop in S&L Jobs in State

TO JOB SERVICE

Inside This Issue

	Page
S&L Employment in Arizona Dropped Dramatically	2
The Arizona Labor Force in November	7
Arizona Labor Force Statistics	8
New Developments	13
News in Brief	15

Arizona Department of Economic Security
— Moving People Toward Self-Sufficiency

Thrift Employment Continued Free Fall Through June '91

Note: In light of the recent collapse of Arizona's savings and loan (S&L) industry, an article in the December 1990 issue of the Arizona Labor Market Information Newsletter examined state employment trends at S&Ls and commercial banks from January 1988 through December 1989. This month, a follow-up article looks at Arizona employment at S&Ls and banks from January 1990 through June 1991.

Review and Overview

The December 1990 *Arizona LMI Newsletter* article pointed out that state S&L employment dropped sharply (42 percent) from January 1988 through December 1989, but 65 percent (2,800 jobs) of the loss was due to non-economic code changes (made effective in January 1989), not failed or failing savings and loans. Non-economic code changes are used to revise coding structure, correct codes that were incorrectly assigned, or to show a gradual shift in activities of the establishment reporting units. In this case, incorrect codes had artificially inflated S&L employment and underreported commercial bank employment.

According to data generated and compiled by state and federal unemployment insurance (UI) programs (see below), Arizona S&L employment declined from a high of 10,256 in January 1988 to a low of 5,918 in December 1989. At the same time, Arizona commercial bank employment rose — although not in the same proportion or in as consistent a fashion — from 16,670 to 18,661. However, employment in depository institutions, the major industry group that encompasses S&Ls and commercial banks (see below), fell only 1.7 percent, from 33,473 to 32,888.

The reason Arizona thrift failures didn't cause additional S&L employment losses during the period analyzed was because most of the state's thrifts during 1989 were still in government control, which tends to stabilize employment. According to federal documents, no Arizona-based S&L was sold by the federal agencies responsible for disposing of thrift assets, the Resolution Trust Corp. (RTC) and Federal Savings & Loan Insurance Corp. (FSLIC), during 1988 or 1989.[1]

Table 1. Seized Arizona Savings and Loans That Were Sold, January 1990-June 1991

Institution:	Universal Federal Savings & Loan Association, Scottsdale
Acquirer:	First Arizona Savings & Loan Association, Glendale
Institution:	Western Savings & Loan Association, Phoenix
Acquirer:	Bank of America Arizona, Phoenix
Institution:	Sentinel Savings & Loan Association, Phoenix
Acquirer:	Biltmore Investors Bank, Phoenix
Institution:	MeraBank, Phoenix
Acquirer:	Bank of America Arizona, Phoenix
Institution:	Sun State Savings and Loan Association, Phoenix
Acquirer:	Bank of America Arizona, Phoenix
Institution:	Pima Savings & Loan Association, Tucson
Acquirer:	Bank of America Arizona, Phoenix
Institution:	Security Savings & Loan Association, Scottsdale
Acquirers:	Security Pacific Bank Arizona, Phoenix; World Savings, Oakland, California

Source: The Arizona Republic, July 1991

From January 1990 through June 1991, however, the RTC sold seven of eight Arizona-based S&Ls it had declared insolvent and seized.[2] Six of the seven were sold to commercial banks with one going to another thrift (see Table 1).[3]

And, as this update will detail, from January 1990 through June 1991 S&L employment in Arizona continued to decline sharply, but this time because the number of Arizona-based S&Ls continued to dwindle (three as of June 1991). Meanwhile, during 1990 Arizona commercial banks gained employment as they purchased many of the state's thrifts and absorbed many of their workers. But by the first half of 1991 employment in both S&Ls and commercial banks was declining as banks in Arizona initiated cost-cutting measures to offset growing revenue losses.

For this and the previous article, employment data generated and compiled by state and federal unemployment insurance (UI) programs were analyzed.[4] These programs categorize employment by industry using codes from the *Standard Industrial Classification (SIC) Manual — 1987*.[5,6]

Employment: January 1990 - June 1991

To better understand the effect employment at S&Ls and other depository institutions had on finance industry employment overall, this analysis will begin with a breakdown of employment at the division (SIC one-digit code) and major industry group (SIC two-digit code) level. Savings institutions are part of the finance, insurance, and real estate (FIRE) division, and the major industry group of depository institutions.

Data in Table 2 show monthly employment levels and changes for FIRE overall and its three major divisions — finance, insurance, and real estate. From January 1990 through June 1991 FIRE lost 337 jobs, due totally to the finance division's decline of 1,288. The insurance and real estate divisions, on the other hand, had

Table 2. Monthly Employment Totals and Net Change for Arizona Finance, Insurance, and Real Estate Division, January 1990-June 1991, All Covered Workers[1]

	FIN	CHG	INS	CHG	RL EST	CHG	TOTAL	CHG
1990								
Jan	42158	—	25510	—	26322	—	93990	—
Feb	42327	169	25670	160	26728	406	94725	735
Mar	42612	285	25648	-22	26892	164	95152	427
Apr	42819	207	25793	145	26518	-374	95130	-22
May	43026	207	25813	20	26525	7	95364	234
Jun	43030	4	26011	198	26809	284	95850	486
Jul	43891	861	25800	-211	26536	-273	96227	377
Aug	43971	80	25820	20	26833	297	96624	397
Sep	43634	-337	25827	7	26613	-220	96074	-550
Oct	42848	-786	25507	-320	27034	421	95389	-685
Nov	42513	-335	25538	31	26903	-131	94954	-435
Dec	42291	-222	25610	72	26802	-101	94703	-251
1991								
Jan	42519	228	25135	-475	25909	-893	93563	-1140
Feb	42948	429	25251	116	26128	219	94327	764
Mar	42350	-598	25287	36	26461	333	94098	-229
Apr	41010	-1340	25479	192	26876	415	93365	-733
May	41077	67	25657	178	26931	55	93665	300
Jun	40870	-207	25782	125	27001	70	93653	-12
Net Change								
Jan 1990 - Jun 1991		-1288		272		679		-337

Definitions:

CHG = Month-to-Month Change
FIN = Finance
INS = Insurance
RL EST = Real Estate

Note:

1. Includes workers covered by Unemployment Insurance (UI) and Unemployment Compensation for Federal Employees (UCFE) programs.

Source: Arizona Department of Economic Security, Research Administration, ES-202 Program, 1990-1991

employment gains of 272 and 679, respectively, during this period.

Data in Table 3 give employment detail for the four major industry groups that comprise Arizona's finance division. The table shows three of the four two-digit industry groups lost employment during the 18-month period being examined with most employment losses occurring at depository institutions.

Depository institutions (SIC 60), which includes S&Ls and commercial banks, by far had the largest job loss, 1,167; security and commodity brokers, dealers, exchanges, and services (SIC 62) lost 336; and holding and other investment offices (SIC 67) dropped 294. The only major group to experience employment gains was non-depository credit institutions (SIC 61), which added 509 positions.

Of course, depository institution employ-

Table 3. Monthly Employment Totals and Net Change for Arizona Finance Industry Groups, January 1990–June 1991, All Covered Workers[1]

	SIC 60	CHG	SIC 61	CHG	SIC 62	CHG	SIC 67	CHG
1990								
Jan	31924	—	5297	—	3195	—	1742	—
Feb	31843	-81	5546	249	3171	-24	1767	25
Mar	32042	199	5677	131	3121	-50	1772	5
Apr	32222	180	5743	66	3081	-40	1773	1
May	32342	120	5887	144	3018	-63	1779	6
Jun	32121	-221	6068	181	3033	15	1808	29
Jul	33121	1000	5849	-219	3155	122	1766	-42
Aug	33188	-180	5998	-42	3061	-94	1724	-77
Sep	33008	67	5956	149	3023	-38	1647	-42
Oct	32824	-184	5777	-179	2906	-117	1341	-306
Nov	32586	-238	5748	-29	2869	-37	1310	-31
Dec	32318	-268	5789	41	2873	4	1311	1
1991								
Jan	32145	-173	6245	456	2687	-186	1442	131
Feb	32483	338	6322	77	2702	15	1441	-1
Mar	31856	-627	6343	21	2717	15	1434	-7
Apr	30969	-887	5770	-573	2846	129	1425	-9
May	30940	-29	5859	89	2838	-8	1440	15
Jun	30757	-183	5806	-53	2859	21	1448	8
Net Change								
Jan 90 - Jun 1991		-1167		509		-336		-294

Definitions:

CHG = Month-to-Month Change
SIC 60: = Depository Institutions
SIC 61: = Nondepository Credit Institutions
SIC 62: = Security and Commodity Brokers, Dealers, Exchanges, and Services
SIC 63: = Holding and Other Investment Offices

Note:

1. See Table 1.

Source: Arizona Department of Economic Security, Research Administration, ES-202 Program, 1990-1991

ment — particularly at S&Ls and commercial banks — is the major focus of this article. And further detail of depository institution employment is available by looking at three-digit SIC classifications. Depository institutions is comprised of six three-digit industry group categories:

Code	Industry Group
SIC 601	Central Reserve Depository Institutions
SIC 602	Commercial Banks
SIC 603	Savings Institutions
SIC 606	Credit Unions
SIC 608	Foreign Banking and Branches and Agencies of Foreign Banks
SIC 609	Functions Related to Depository Banking

Table 4 shows that losses at savings in-

stitutions (SIC 603) accounted for almost all of the employment declines in depository institutions during the period in question. This table also points out that commercial bank employment, which had been on the rise in 1990, began to decline in the first half of 1991. Figure 1 also graphically depicts commercial bank and savings institution employment for this period.

Table 4 shows that from January 1990 through June 1991 savings institutions experienced a loss of 3,447 positions, or a drop of 65 percent, while commercial banks (SIC 602) added 1,734 jobs, or an increase of 9.4 percent.

Analysis

Clearly the S&L crisis caused a major shift in employment within Arizona depository institutions — primarily from thrifts to commercial banks — during the past few years as banks purchased failed thrifts from the RTC. But more recently, commercial bank employment has suffered, too, as banks began restructuring and cost-cutting programs to offset large revenue losses.

Between 1988 and June 1991 S&L employment in Arizona plummeted 82 percent — from 10,256 to 1,860 — one-third of which can be attributed to non-economic code changes. State commercial bank employment, on the other hand, rose 20.6 percent during this 2 1/2 year period, but four-fifths of those gains can be attributed to non-economic code changes that occurred in January 1989. Overall, depository institution employment levels declined nearly 3,000, or 8.9 percent, in Arizona between January 1988 and June 1991, primarily due to consolidation after commercial banks acquired failed S&Ls.

As for the near-term future, because only one Arizona-based S&L remained as of December (two were sold since June 30), job losses at savings institutions in this state should taper off beginning in 1992 with employment holding fairly constant thereafter. However, recently announced

Table 4. Monthly Employment Totals and Net Change for Arizona Depository Institutions, Savings and Loans, and Commercial Banks, January 1990–June 1991, All Covered Workers[1]

	SIC 602	CHG	SIC 603	CHG	SIC 60	CHG
1990						
Jan	18365	—	5307	—	31924	—
Feb	18493	128	5330	23	31843	-81
Mar	18390	-103	5265	-65	32042	199
Apr	18530	140	5207	-58	32222	180
May	18553	23	5138	-69	32342	120
Jun	18513	-40	4918	-220	32121	-221
Jul	19490	977	4843	-75	33121	1000
Aug	19548	58	4820	-23	33188	67
Sep	19393	-155	4739	-81	33008	-180
Oct	21050	1657	2890	-1849	32824	-184
Nov	20839	-211	2882	-8	32586	-238
Dec	20608	-231	2888	6	32318	-268
1991						
Jan	20381	-227	2819	-69	32145	-173
Feb	20783	402	2752	-67	32483	338
Mar	20746	-37	2252	-500	31856	-627
Apr	20346	-400	1745	-507	30969	-887
May	20250	-96	1874	129	30940	-29
Jun	20099	-151	1860	-14	30757	-183
Net Change						
Jan 90 - Jan 91		2016		-2488		221
Jan 91 - Jun 91		-282		-959		-1388
		=====		=====		=====
Jan 90 - Jun 91		1734		-3447		-1167

Definitions:

CHG = Month-to-Month Change
SIC 602: = Commercial Banks
SIC 603: = Savings Institutions
SIC 60: = Depository Institutions (Major Group 60)

Note:

1. See Table 1.

Source: Arizona Department of Economic Security, Research Administration, ES-202 Program, 1990-1991

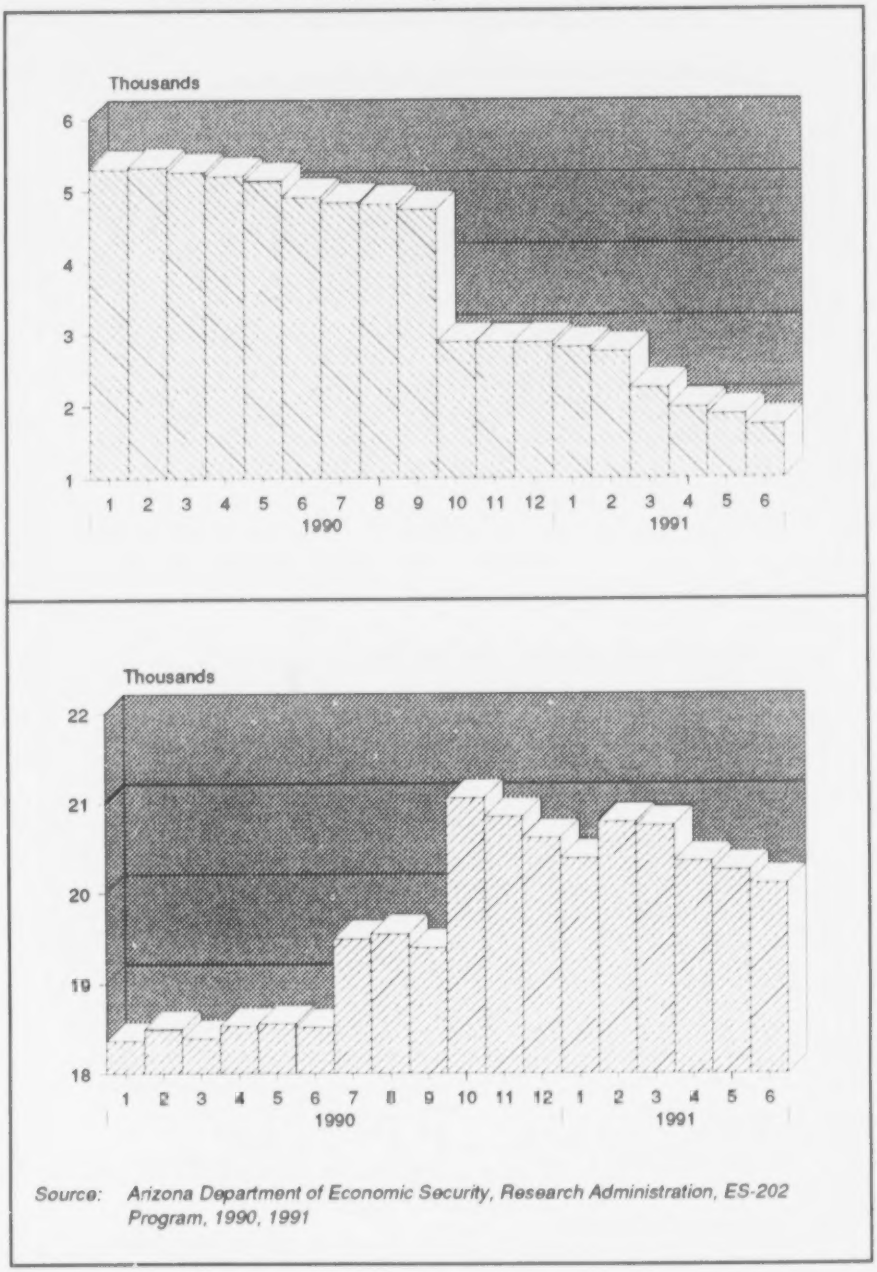
layoffs by Arizona commercial banks and the anticipated merger of Bank of America and Security Pacific could hurt commercial bank employment in the state for the foreseeable future. (If Arizona follows national trends predicted by one management-consulting firm, commercial banks in this state are likely to have job losses this year that affect teller and administrative-support positions, technical specialists, and midlevel managers.[7])

However, job losses at commercial banks are likely to be offset somewhat by an anticipated increase in credit-card servicing positions. Two major banks — Bank of America and Chase Bank of New York — have announced plans to move their credit-card operations to Arizona in 1992 and 1993 with anticipated employment between 3,000 and 4,000.[8]

Data for tables and graphs used in this article were compiled by Dennis Doby, DES, Research Administration economist.

—DES, Research Administration

Figure 1. Monthly Employment Totals for Arizona Savings and Loans and Commercial Banks, January 1990-June 1991



Source: Arizona Department of Economic Security, Research Administration, ES-202 Program, 1990, 1991

Notes:

1. Receivership Case List and Resolved Conservatorships Report, U.S. Department of Treasury, Office of Thrift Supervision.

2. *The Arizona Republic*, July 21, 1991, p. F2.

3. Southwest Savings & Loan Association of Phoenix was sold to Security Pacific Bank Arizona of Phoenix on July 19, 1991. Arizona based S&L's still in business were First Arizona Savings & Loan Association of Glendale and First American Federal Bank of Tucson. S&L's based elsewhere, with Arizona branches, were Great American Bank of San Diego and PriMerit Bank of Las Vegas.

4. Employment data used in this analysis are the product of a federal-state cooperative program in which state employment security agencies (SESAs) prepare summaries of employment and total pay of workers covered by unemployment insurance (UI) legislation. The summaries are a by-product of the administration of State Unemployment Insurance programs that require most employers to pay quarterly taxes based on the employment and wages of workers covered by UI.

5. The Standard Industrial Classification (SIC) system is the statistical classification standard underlying all establishment-based federal economic data. The structure of the SIC system makes it possible to tabulate, analyze, and publish employment data on four levels, according to the amount of industry detail considered most appropriate. The four levels are: division (one digit), major group (two digit), industry group (three digit), and industry code (four digit).

6. Because it takes six months to tabulate, analyze, and publish establishment data generated by the UI system, only data through the second quarter of 1991 is currently available for analysis.

(Continued on page 12)

The Arizona Labor Force in November

Impacted by a struggling national economy, Arizona's labor market showed further weakness in November. After an eight-tenths of a percentage-point increase in October, Arizona's seasonally adjusted unemployment rate climbed an additional 1.1 percentage points in November to 7.3 percent.

Arizona's unemployment rate was at its highest level since December 1986 when it was also 7.3 percent. And the 1.1 percentage-point increase from October to November represented the largest one-month gain since February 1975 when the rate was up 1.5 points.

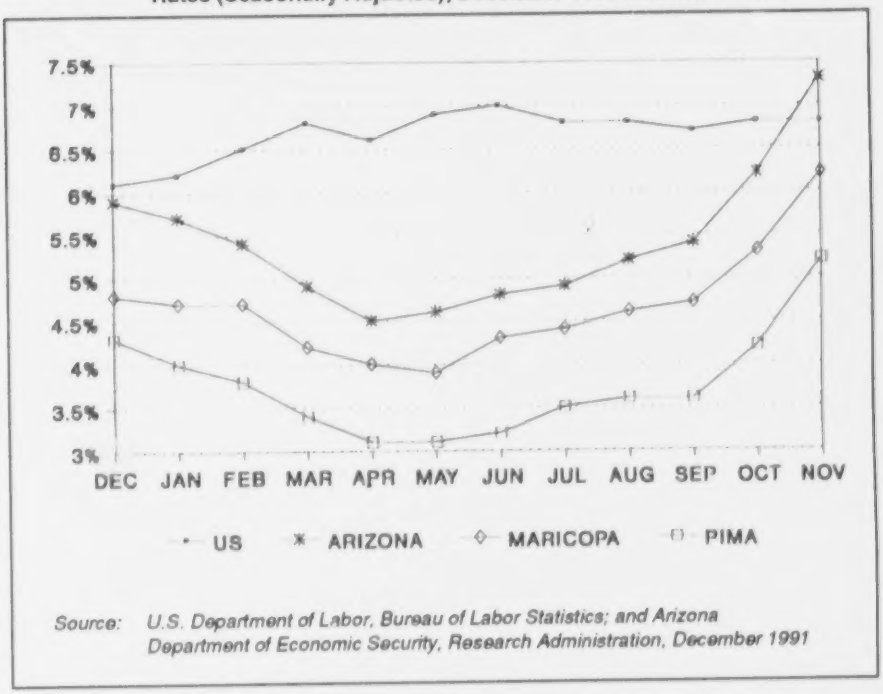
Nationally, the unemployment rate was unchanged in November, at 6.8 percent. In Arizona, only the two metropolitan counties had unemployment rates below the national level and both experienced sizable increases from October levels. Maricopa County's rate increased nine-tenths of a point in November to 6.2 percent and Pima County's rate rose 1 point to 5.2 percent..

Despite the large rise in Arizona's unemployment rate, of note in November was an increase in the state's two employment categories — total employment and wage and salary employment. Total employment increased 4,000 last month while wage and salary employment rose 5,900. Total employment includes wage and salary employment, plus the self-employed, agricultural workers, household workers, and unpaid family workers.

But while more people went to work in November, more people were also looking for work. Total unemployment rose 14,700 in a month that normally sees a decrease in unemployment. Only two times in the last 10 years has the number of unemployed risen in November, in 1990 and 1991.

Major industry groups with employment gains in November were construction; transportation, communications, and public utilities; trade, and government. Mining held steady while major sectors losing jobs included manufacturing; finance, insurance, and real estate; and services.

Figure 1. U.S., Arizona, Maricopa County, and Pima County Unemployment Rates (Seasonally Adjusted), December 1990-November 1991



Source: U.S. Department of Labor, Bureau of Labor Statistics; and Arizona Department of Economic Security, Research Administration, December 1991

While trade added 5,000 jobs in November, its over-the-year growth rate was only 0.5 percent. Within the retail trade sector, general merchandise and apparel stores, food stores, and eating and drinking places all had job increases in November. Over the year, general merchandise and apparel stores have pared employment by 1,200 and last month's increase of 1,600 is 1,200 below the 10-year average gain for November. Wholesale trade employment, on the other hand, increased by 900 in November, 100 more than the 10-year average gain for the month.

Government had the next largest increase in November with county government and schools accounting for most of the rise. The gain of 1,800 in government employment is 700 below the 10-year average increase for November.

Transportation, communications, and public utilities (TCPU) had surprisingly strong employment gains in November, adding 800 jobs after four straight months of losses. The increase was double the 10-year average gain for November, as both the transportation sector and the communications and public utilities group posted above-average gains in November. Maricopa County was responsible for more than half of the increase in TCPU employment with most of the increase concentrated in the transportation sector.

Special Trades Lifts Construction

The only other major industry group in Arizona with employment gains in November was construction. Construction employment, which normally declines by 700 in November, rose 200. Increases in the subindustry of special trades more than offset losses in general and heavy construction. Maricopa County, which had the largest gain in special trades employment, has lost 2,800 construction jobs over the year. Meanwhile, Pima County and the state's non-metropolitan counties as a whole are currently enjoying over-the-year employment gains in construction.

Finance, insurance, and real estate (FIRE),

(Continued on page 12)

Arizona Labor Force and Employment

November 1991 (in Thousands)

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	ARIZONA			AMOUNT CHANGE		MARICOPA COUNTY			AMOUNT CHANGE		PIMA COUNTY			AMOUNT CHANGE	
	Nov.* 1991	Oct.** 1991	Nov. 1990	Oct. - Nov.	1990 - 1991	Nov.* 1991	Oct.** 1991	Nov. 1990	Oct. - Nov.	1990 - 1991	Nov.* 1991	Oct.** 1991	Nov. 1990	Oct. - Nov.	1990 - 1991
TOTAL CIVILIAN LABOR FORCE* **	1733.2	1714.5	1727.9	18.7	5.3	1069.1	1061.0	1073.0	8.1	-3.9	322.4	317.7	315.3	4.7	7.1
Total Unemployment	118.2	103.5	89.1	14.7	29.1	64.2	56.5	44.7	7.7	19.5	16.6	13.4	13.0	3.2	3.6
Unemployment Rate	6.8%	6.0%	5.2%	—	—	6.0%	5.3%	4.2%	—	—	5.2%	4.2%	4.1%	—	—
Unemployment Rate (Sea. Adj.)**	7.3%	6.2%	5.4%	—	—	6.2%	5.3%	4.3%	—	—	5.2%	4.2%	4.2%	—	—
Total Employment	1615.0	1611.0	1638.8	4.0	-23.8	1004.9	1004.5	1028.3	0.4	-23.4	305.8	304.3	302.3	1.5	3.5

Note: Above labor force statistics should not be used for economic-assistance programs

NON-AGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

TOTAL WAGE AND SALARY	1541.5	1535.6	1528.7	5.9	12.8	1010.9	1007.8	1010.9	3.1	0.0	267.5	265.6	259.6	1.9	7.9
Manufacturing	177.8	178.8	184.9	-1.0	-7.1	131.5	132.6	137.4	-1.1	-5.9	25.3	25.2	26.4	0.1	-1.1
Durable Goods	131.4	132.1	138.6	-0.7	-7.2	99.2	100.0	104.7	-0.8	-5.5	19.5	19.4	20.6	0.1	-1.1
Stone, Clay, and Glass	6.0	6.2	6.7	-0.2	-0.7	3.3	3.4	3.9	-0.1	-0.6					
Primary and Fabricated Metals	13.9	13.8	14.3	0.1	-0.4	9.4	9.4	9.7	0.0	-0.3					
Primary Metals	6.2	6.1	6.2	0.1	0.0										
Fabricated Metals	7.7	7.7	8.1	0.0	-0.4										
Machinery	56.4	56.5	59.0	-0.1	-2.6	46.8	46.9	48.8	-0.1	-2.0					
Aircraft and Missiles	23.8	24.3	27.3	-0.5	-3.5										
Lumber and Wood Products (Excluding Furniture)	6.5	6.6	6.5	-0.1	0.0										
Nondurable Goods	46.4	46.7	46.3	-0.3	0.1	32.3	32.6	32.7	-0.3	-0.4	5.8	5.8	5.8	0.0	0.0
Food and Kindred Products	11.2	11.2	10.4	0.0	0.8	7.5	7.5	7.1	0.0	0.4					
Printing and Publishing	16.8	16.9	17.3	-0.1	-0.5	11.6	11.8	12.2	-0.2	-0.6					
Mining and Quarrying	13.2	13.2	12.6	0.0	0.6	0.7	0.7	0.7	0.0	0.0	2.4	2.4	2.2	0.0	0.2
Copper Mining	10.7	10.6	10.0	0.1	0.7										
Construction	80.9	80.7	82.8	0.2	-1.9	52.8	52.5	55.6	0.3	-2.8	15.6	15.4	14.8	0.2	0.8
Trans., Communications, & Public Utilities	81.1	80.3	83.2	0.8	-2.1	56.3	55.8	59.8	0.5	-3.5	10.6	10.6	9.5	0.0	1.1
Transportation	46.5	45.8	47.3	0.7	-0.8	33.6	33.2	35.9	0.4	-2.3	6.0	6.0	4.9	0.0	1.1
Communications and Public Utilities	34.6	34.5	35.9	0.1	-1.3	22.7	22.6	23.9	0.1	-1.2	4.6	4.6	4.6	0.0	0.0
Trade	384.0	379.0	382.2	5.0	1.8	258.6	255.8	257.7	2.8	0.9	62.8	61.7	61.8	1.1	1.0
Wholesale Trade	76.4	75.5	76.3	0.9	0.1	61.0	60.8	61.7	0.2	-0.7	7.6	7.5	7.5	0.1	0.1
Retail Trade	307.6	303.5	305.9	4.1	1.7	197.6	195.0	196.0	2.6	1.6	55.2	54.2	54.3	1.0	0.9
General Merchandise and Apparel	50.3	48.7	51.5	1.6	-1.2	30.5	29.5	31.6	1.0	-1.1	9.3	8.9	9.2	0.4	0.1
Food Stores	51.8	50.9	51.0	0.9	0.8	33.1	32.4	32.4	0.7	0.7	9.2	9.1	8.8	0.1	0.4
Automotive and Service Stations	35.3	35.3	34.7	0.0	0.6	22.2	22.1	21.5	0.1	0.7	5.7	5.7	5.5	0.0	0.2
Eating and Drinking Places	108.9	108.5	107.4	0.4	1.5	70.9	70.8	69.6	0.1	1.3	20.0	19.8	19.5	0.2	0.5
Finance, Insurance, and Real Estate	94.5	94.6	95.4	-0.1	-0.9	75.7	75.6	76.1	0.1	-0.4	11.6	11.6	11.8	0.0	-0.2
Services and Miscellaneous	427.7	428.6	413.2	-0.9	14.5	289.1	289.8	281.4	-0.7	7.7	79.6	79.5	75.2	0.1	4.4
Hotels and Lodging Places	44.9	44.6	43.9	0.3	1.0	28.7	28.3	27.5	0.4	1.2	6.7	6.6	6.4	0.1	0.3
Business Services*****	82.6	83.4	79.8	-0.8	2.8	65.6	66.4	64.3	-0.8	1.3	12.2	12.2	11.0	0.0	1.2
Health Services	106.1	105.6	103.0	0.5	3.1	68.0	67.8	66.8	0.2	1.2	23.4	23.2	22.3	0.2	1.1
Government	282.2	280.4	274.4	1.8	7.8	146.2	145.0	142.2	1.2	4.0	59.6	59.2	57.9	0.4	1.7
Federal	45.6	45.6	45.8	0.0	-0.2										

* Preliminary
** Revised
*** Adjusted to the Current Population Survey to reflect place of residence
**** Normal seasonal variations have been removed to reflect underlying economic trends
***** Business Services underwent a series change between December 1987 and January 1988

Note: Annual averages may not total correctly due to rounding

Prepared by the Arizona Dept. of Economic Security, in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics

Non-metropolitan Counties
Labor Force and Employment
November 1991

	Apache	Cochise	Coconino	Gila	Graham	Greenlee
CIVILIAN LABOR FORCE*	15,800	35,255	45,050	13,425	8,525	3,475
Total Unemployment	2,200	2,850	3,625	1,525	700	250
Rate	13.9%	8.1%	8.0%	11.4%	8.3%	7.3%
Rate (Seas. Adj.)**	15.8%	8.4%	8.5%	11.8%	8.9%	7.3%
Total Employment	13,600	32,375	41,425	11,900	7,825	3,225

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS

TOTAL WAGE AND SALARY	16,750	25,875	43,075	11,750	5,700	3,550
Manufacturing	550	1,000	3,425	1,500	225	25
Mining & Quarrying	25	100	75	1,325	0	2,000
Construction	425	975	1,525	575	175	375
T.C.P.U.	2,050	1,725	2,575	525	150	50
Trade	1,475	5,505	10,075	2,350	1,575	300
F.I.R.E.	450	650	825	300	125	25
Services & Misc.	5,875	5,025	10,925	2,400	900	175
Government	5,900	11,350	13,650	2,775	2,550	600

	La Paz	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
CIVILIAN LABOR FORCE*	5,450	38,550	27,025	38,775	12,075	42,700	55,525
Total Unemployment	625	3,600	2,950	3,625	2,000	2,850	10,550
Rate	11.4%	9.4%	10.9%	9.3%	16.5%	6.7%	19.0%
Rate (Seas. Adj.)**	11.0%	9.4%	12.4%	10.0%	16.1%	7.1%	26.1%
Total Employment	4,825	34,950	24,075	35,150	10,075	39,850	44,975

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS

TOTAL WAGE AND SALARY	3,975	27,750	21,850	31,875	11,250	30,050	29,825
Manufacturing	250	2,550	1,950	3,800	1,025	2,500	2,200
Mining & Quarrying	75	50	1,225	4,225	25	1,025	50
Construction	300	2,625	825	425	325	2,575	1,400
T.C.P.U.	150	1,300	1,600	1,100	800	1,050	1,100
Trade	1,350	8,075	4,375	5,650	5,050	8,075	9,125
F.I.R.E.	100	1,375	450	750	275	950	1,025
Services & Misc.	750	7,100	4,975	5,200	1,900	7,450	6,400
Government	1,000	4,675	6,450	10,725	1,850	6,425	8,525

* Adjusted to the Current Population Survey (CPS) to reflect place of residence.

** Seasonal adjustment not applicable for economic assistance programs.

T.C.P.U. = Transportation, Communications, and Public Utilities

F.I.R.E. = Finance, Insurance, and Real Estate

Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics.

Estimated Hours and Earnings of Production Workers in Selected Industries Arizona

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Nov.* 1991	Oct.** 1991	Nov. 1990	Nov.* 1991	Oct.** 1991	Nov. 1990	Nov.* 1991	Oct.** 1991	Nov. 1990
Manufacturing	$446.20	$440.23	$424.04	41.2	40.8	40.5	10.83	10.79	10.47
Aircraft & Missiles	668.95	643.68	682.48	45.6	44.3	47.1	14.67	14.53	14.49
Food & Kindred Prod.	335.29	335.89	343.66	39.4	38.3	38.1	8.51	8.77	9.02
Primary Metals	492.43	508.93	524.49	40.1	40.2	38.2	12.28	12.66	13.73
Machinery	455.80	438.74	385.39	41.1	40.4	38.5	11.07	10.86	10.01
Copper Mining	652.44	653.67	624.70	43.7	43.9	43.9	14.93	14.89	14.23
Construction	450.55	449.84	442.01	36.9	37.3	37.3	12.21	12.06	11.85
Utilities	767.65	783.98	721.01	42.6	43.7	43.2	18.02	17.94	16.69
Retail Trade**	271.89	271.25	253.12	32.1	32.1	32.0	8.47	8.45	7.91
Wholesale Trade	414.85	414.58	400.28	38.2	38.0	38.6	10.86	10.91	10.37

Estimated Hours and Earnings of Production Workers in Selected Industries Maricopa County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Nov.* 1991	Oct.** 1991	Nov. 1990	Nov.* 1991	Oct.** 1991	Nov. 1990	Nov.* 1991	Oct.** 1991	Nov. 1990
Manufacturing	$464.20	$456.35	$466.05	42.2	41.6	42.1	11.00	10.97	11.07
Construction	467.60	466.35	470.40	37.2	37.7	38.4	12.57	12.37	12.25
Retail Trade**	289.71	287.10	265.85	33.3	33.0	32.7	8.70	8.70	8.13
Wholesale Trade	431.73	428.07	424.60	39.0	38.6	38.6	11.07	11.09	11.00

Estimated Hours and Earnings of Production Workers in Selected Industries Pima County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Nov.* 1991	Oct.** 1991	Nov. 1990	Nov.* 1991	Oct.** 1991	Nov. 1990	Nov.* 1991	Oct.** 1991	Nov. 1990
Manufacturing	$419.45	$420.21	$377.64	40.1	40.6	38.3	10.46	10.35	9.86
Construction	394.58	396.01	384.82	36.4	36.6	35.5	10.84	10.82	10.84
Utilities	643.72	645.52	640.01	41.8	41.3	41.0	15.40	15.63	15.61

* Preliminary.

** Revised

*** Excludes eating and drinking places.

Note: These estimates are based on a sample of full- and part-time production and related employees whose payroll and hours are reported for the pay period which includes the 12th of the month.

Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Arizona Labor Force and Employment for Economic Assistance Programs November 1991

County	Civilian Labor Force	Employment	Unemployment	Rate
Statewide	1,733,144	1,614,987	118,157	6.8%
Apache	15,801	13,603	2,198	13.9
Cochise	35,232	32,378	2,854	8.1
Coconino	45,034	41,421	3,613	8.0
Gila	13,447	11,910	1,537	11.4
Graham	8,523	7,814	709	8.3
Greenlee	3,485	3,229	256	7.3
La Paz	5,452	4,833	619	11.4
Maricopa	1,069,092	1,004,908	64,184	6.0
Mohave	38,569	34,958	3,611	9.4
Navajo	27,019	24,073	2,946	10.9
Pima	322,426	305,810	16,616	5.2
Pinal	38,779	35,157	3,622	9.3
Santa Cruz	12,072	10,075	1,997	16.5
Yavapai	42,712	39,855	2,857	6.7
Yuma	55,503	44,965	10,538	19.0

These figures are the only official BLS labor statistics to be used for revenue sharingpurposes. They are not designed to be used as economic indicators.

NOTE: Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

Labor Force

(Continued from page 7)

which lost 100 jobs in November, experienced its third straight monthly decline in employment. The finance sector is responsible for all of the monthly loss as well as all of the over-the-year decline (900) in FIRE employment.

Thrift Jobs

(Continued from page 6)

7. Prediction by the management consulting firm of Cresap, as reported in *USA Today*, Dec. 30, 1991, p. B2.

8. Bank of America, which plans to employ more than 1,000 workers at a credit-card operation in Phoenix, has yet to say what will happen to Security Pacific's credit-card operation in Arizona if the merger goes through.

Services, which lost 900 jobs, experienced its first November employment decline in more than 10 years and only the second November drop in the last 25 years. Business services, which includes temporary-help firms, had the largest loss (not good news for a struggling economy) followed by amusement and recreation services, professional services, auto repair services, agricultural services, legal services, and educational services. Hotels and other lodging places, health services, personal services, and the catchall category of miscellaneous services all showed modest gains in November.

Manufacturing employment was down 1,000 in November with durable-goods industries losing 700 positions and non-durable-goods industries down 300. Manufacturing employment has shown growth in only two months in 1991, June and August. Statewide, two sectors have accounted for the bulk of the over-the-year losses in manufacturing — aircraft and missiles, and machinery manufacturing.

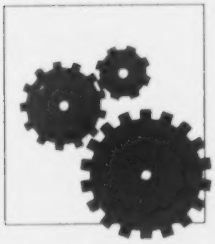
In summary, while the Arizona economy created jobs in November, the number of people entering the state's labor force grew even faster, causing a significant rise in the seasonally adjusted unemployment rate to the highest level in five years. And while the number of jobs grew last month, it appears a large part of the non-farm payroll employment increase was due to a rise in part-time jobs and multiple jobholders — particularly in Maricopa County — a normal occurrence for this time of year. Finally, weakness in trade employment over the last two months and November's discouraging services employment figures should be reason to view the future cautiously.

—Dennis Doby,
RA Economist

McDonnell Douglas to Lay Off 800 to 1,000 in '92; Glendale Picks Up RV Plant

"New Developments" is featured each month as a service to our readers. This section is a compilation of public announcements and articles from newspapers and periodicals about events significant to Arizona labor markets. Due to space limitations, however, an exhaustive list of business news is not possible. In addition, the Arizona LMI Newsletter is not responsible for incorrect information reported by these sources.

MANUFACTURING — McDonnell Douglas Helicopter Co. announced in December plans to eliminate 800 to 1,000 jobs at its Mesa facility in 1992 due to restructuring, a poor global economy, declining production of the Apache attack helicopter, and reduced defense spending. The job cutbacks — which will be accomplished through attrition, layoffs, and the completion of contracts — follow other employee reductions over the past three years and will bring employment to around 4,200, about half of what it was several years ago.



Fleetwood Enterprises Inc., the nation's largest producer of recreational vehicles and mobile homes, was expected in January to open a manufactured-housing plant in Glendale that would employ 150 people and have an annual payroll of $4 million. Based in Riverside, Calif., Fleetwood employs 11,000 workers at 41 plants in the United States and Canada. The Glendale operation will be located in the 6000 block of N. 56th Avenue.

Eaton Corp. of Cleveland is moving the operations of a plant that makes electrical switchboards and panelboards from Los Angeles to Prescott. Eaton's 50,000-square-foot facility, which will do custom work and piecework, is expected to open in June and employ 60 workers, almost all from the local area. The median wage of employees is expected to be around $10 an hour.

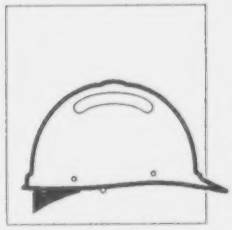
Work at a new plant in Mesa that will make explosive devices used for inflating airbags was scheduled to begin in January. Employment at Special Devices Inc.'s $14 million, 43,000-square-foot facility is expected to grow to 150 by 1993 when two production lines are in complete operation. Special Devices, based in Southern California, has a contract to make devices called "airbag initiators" for TRW Inc.'s airbag-manufacturing operation in Mesa.

Intel Corp.'s Chandler campus is becoming the home of the high-tech company's new i960 microprocessor group, which will eventually add 200 employees to the East Valley location's workforce of 3,600. About one-half of the needed workers — primarily integrated-circuit designers — were on staff or had been hired as of early December. Chandler's good fortune came about as part of an Intel restructuring plan, which consolidated the company's 960 operations into one location, rather than splitting them between several sites in Chandler and Oregon.

The small northern Arizona town of Fredonia, which has been hurt by layoffs at Kaibab Forest Products' sawmill, will get a shot in the arm when a maker of manufactured homes and commercial buildings moves to the area in the near future. Automated Building Corp. expects to employ about 100 workers at a plant at an undetermined site between Fredonia and Kanab, Utah, which is a few miles across the Arizona border.

Newly formed Forest Energy Corp. plans to open a plant in Show Low sometime in 1992 that will make wood pellets used for pellet-burning stoves. The facility, which will be near the Show Low Airport, is expected to create about 20 full-time jobs.

CONSTRUCTION — Homes by Dave Brown, a Valley homebuilder, plans to open eight new single-family residential communities in the Phoenix area by the end of 1992. The subdivisions, which will each include 80 to 100 lots, will be located in the northwest and southeast portions of the Valley. Homes by Dave Brown also builds homes in Bullhead City and Las Vegas.

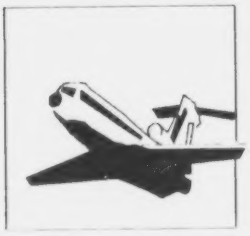


Work is set to begin in March on The Groves Power Center in Tempe, which will include a 65,000-square-foot Phar-Mor drug store and 14,000 square feet of retail space. The "power center," which will also feature a major grocery store and movie theaters, will be located at Priest and Elliot roads and is part of a 78-acre mixed-use project, The Groves, which includes retail, residential, and industrial development.

A $6 million renovation of the Marcus J. Lawrence Memorial Hospital in Cottonwood has been awarded to Kitchell Contractors Inc. The project, which will get under way in March, will include remodeling of 50,000 square feet of the 99-bed facility, as well as construction of two new buildings (including a new patient wing) totaling 22,000 square feet. Kitchell is currently working on several other hospital-renovation/expansion projects in Kingman and Tucson.

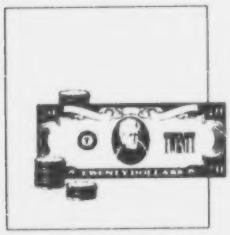
Gosnell Builders, known for its development of The Pointe resorts, is ready to co-develop the Camelhead shopping and residential complex at the current location of Thomas Mall in Phoenix, 44th Street and Thomas Road. Gosnell will finance the building of office and housing projects, while Homart Community Centers Inc. will provide funding for 450,000 square feet of retail space on 37 of Camelhead's 66 acres. Construction could begin as early as mid-1992.

TRANSPORTATION, COMMUNICATIONS and PUBLIC UTILITIES — Despite turbulent times for the airline industry, a Tucson-based air carrier expects to raise $3 million in operating capital necessary to get the airline off the ground and into the skies by May. Arizona Airways, which plans to initially fly 30-passenger prop-jets to Albuquerque, San Diego, and Orange County, Calif., says it expects the airline to directly and indirectly create 165 jobs in its first year of operation and 395 jobs within five years. The fledgling airline, which will initially hire 50 people, also plans to fly to cities in northern Mexico and stands to benefit if Congress approves a free-trade agreement.



An undetermined number of U S West Communications' employees in Arizona will lose their jobs in the near future as part of a 10 percent reduction (6,000 workers) in the company's 14-state workforce. About 25 managers of crews that install and repair telephones in Tucson recently learned their jobs are being eliminated. About 6,500 Arizonans work for U S West.

FINANCE, INSURANCE AND REAL ESTATE — A private New York stock exchange, Wunsch Auction Systems Inc., received final approval in December from the Arizona Corporation Commission to become the state's first stock exchange. Wunsch, which will change its name to the Arizona Stock Exchange Inc., is expected to begin operations in February with two employees. Last June, the state Legislature approved a bill that called for a feasibility study of an Arizona stock exchange (see *Arizona LMI Newsletter*, August 1991), which would be used partly to help Arizona companies raise capital through public offerings.



TRADE — About 100 employees at McCrory Co. stores in the Phoenix area will be laid off by the end of January as part of a nationwide restructuring plan by the Pennsylvania-based retailer. McCrory Co., which owns a variety of five-and-dime chains, is closing seven JJ Newberry stores and one McCrory's in the Valley. About 230 McCrory-owned stores will be closed across the country.

Mesa-based Mega Foods Stores Inc. plans to open its first bag-it-yourself supermarket in Flagstaff, possibly as early as April. Mega Foods will remodel the vacant 68,000-square-foot K mart building at 2530 N. Fourth Street. K mart is moving into a new store in west Flagstaff near Woodlands Village Plaza. No information on potential employment was available.

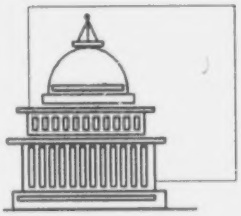
Expansion work for K Mart's store in Kingman will be completed by April. The store will then increase its current workforce of 140 by about 10 to 12 percent. Meanwhile, construction is under way on a 114,000-square-foot K mart in Prescott Valley that it is expected to open in late summer or early fall. The store will employ about 150 people and include a Little Caesar's pizza restaurant in place of K mart's regular restaurant. K mart is opening Little Caesar's in 400 of its stores across the country.

SERVICES — The opening in March of Arizona's first Joe Weider Fitness Gym should pump additional life into the Foothills Park Place Shopping Center, Interstate 10 and Ray Road in Chandler, say developers of the retail center. The 14,000-square-foot facility, which will feature a juice bar, pro shop, and day-care center, will employ between 30 and 35 people who will be required to be certified by a Weider training program. Weider, who heads a multi-million dollar, health-product and fitness-publishing company, began franchising his gyms a few years ago.

Expansion of the Kingman Regional Medical Center (see *Arizona LMI Newsletter*, September 1991) is helping attract physicians. Five specialists — including a cardiologist, anesthesiologist, and emergency-room physician — were hired in 1991 and five to 10 more will be brought in this year, says a hospital official.

The Yuma County Hospital District has requested a permit from the state to build an obstetrics and pediatrics facility at the Yuma Regional Medical Center. The $15 million project, which would include a two-story building and renovation of existing operations, is expected to open in early 1994 and create the equivalent of 29 full-time positions, primarily nurses.

GOVERNMENT — Although somewhat behind schedule, training of employees for a new U.S. Census Bureau telephone-survey center in Tucson should begin sometime in March with an expected operational timeframe of mid-1992. The 10,000-square-foot facility near Tucson International Airport — which will collect data on topics such as employment and housing — is expected to employ 250 intermittent and part-time interviewers and 25 supervisors. Non-supervisory jobs will pay about $6.25 an hour and all but a handful of the facility's jobs will be hired locally.



Congress Extends Tax-Credit Program That Targets Disadvantaged Workers

Following are brief stories relating to labor issues affecting the nation and Arizona.

Before adjourning in late November, Congress extended the Targeted Jobs Tax Credit (TJTC) program through June 30, 1992. The TJTC program, which offers employers tax credits for hiring disadvantaged persons in nine target groups, was one of 12 tax credits due to expire Dec. 31.

The TJTC program, along with the other tax credits, will be funded by increasing tax payments of corporations that estimate their tax liability and file quarterly. Companies that have income of $1 million or more a year will have to pay at least 95 percent of their actual tax liability, compared to the current requirement of 90 percent. The change will raise about $3 billion.

Although temporary funding was approved for TJTC, the program's effectiveness has diminished in recent years because of threats of elimination, according to Terrie Dort, an official with a government-relations consulting company. In a recent issue of *Employment & Training Reporter*, a weekly periodical that covers federal employment and training issues, Dort said the continued threat of program extinction, which has dogged the program since its inception in 1978, discourages employers from using the tax credit to hire disadvantaged workers.

However, Congress is expected this year to discontinue the process of temporarily funding programs like TJTC, Dort told the periodical. According to Dort, House Ways and Means Chairman Dan Rostenkowski has announced plans to consider all 12 tax provisions separately. "Viable provisions will be made permanent; others will be eliminated," *Employment & Training Reporter* said.

The TJTC program allows employers to claim a credit of 40 percent of an employee's first-year wages up to $6,000, or a maximum credit of $2,400 per employee. In addition, employers can claim a credit of 40 percent of a worker's wages up to $3,000, or a maximum credit of $1,200, for economically disadvantaged summer youth workers hired between May 1 and September 15.

Some of the groups the TJTC program targets are:

- people with disabilities referred from vocational-rehabilitation programs of either a state or the U.S. Department of Veterans Affairs.
- economically disadvantaged Vietnam-era veterans.
- economically disadvantaged youth ages 18 to 22, or youth ages 16 to 19 that participate in qualified cooperative-education programs.
- recipients of federal Supplemental Security Income (SSI), or people who have received for at least 30 days state and local general assistance payments.

Additional information is available about the TJTC program by contacting an Arizona Department of Economic Security (DES) Job Service office.

NEWS IN BRIEF

DOL Report Focuses on Learning Disabled

The U.S. Labor Department has released a new study on the learning disabled, aimed at helping those involved in employment and training programs — such as the Job Training Partnership Act (JTPA) — properly determine the needs of this segment of the population.

The study, "The Learning Disabled in Employment and Training Programs," looks at the differences between functional illiteracy and learning disabilities, tools that can be used to assess learning problems, and methods of providing basic and occupational-skills instruction to the learning disabled. The report also offers a list of studies related to learning disabilities and resources for providing instruction to the target group. The Urban Institute, a Washington D.C. think tank, conducted the study for DOL's Employment and Training Administration.

A limited number of copies of the study are available at no cost by writing the Employment and Training Administration's Dissemination Unit, Room N5637, 200 Constitution Ave., N.W., Washington D.C.; or calling (202) 535-0664.

Revised *DOT* Offers 2,000 New, Changed Job Categories

Looking for a new occupation for yourself or somebody else? Consider consulting the revised Fourth Edition of the *Dictionary of Occupational Titles (DOT)*, which features about 2,000 new or changed occupational categories — primarily reflecting changing technology and skill requirements — new indexes, and a new two-volume format.

Produced by DOL's Employment and Training Administration, the *DOT* "is the most comprehensive single source of information about jobs in the United States ... and offers a starting place for required training, education, career guidance, employment counseling, job definition and wage restructuring," says Robert Jones, Assistant Secretary for Employment and Training.

Copies of the dictionary are available for $40 by writing or calling the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402-9325; telephone: (202) 783-3238.

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